GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:702
ANSWERED ON:04.03.2005
REDUCTION IN REVENUE COLLECTION UNDER `OTHER TAXES `
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Will the Minister of FINANCE be pleased to state:

(a) whether collection of revenues under `Other Taxes` category has been reduced to insignificance;

(b) how does this compare with other developed and developing countries; and

(c) the innovative steps proposed to raise the tax resources of the country in keeping with the changed economic scenario?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE(SHRI S. S. PALANIMANICKAM)

(a) Collection under other direct taxes has been decreasing over last five years due to abolition of various other tax enactments including Gift Tax, Interest Tax, Hotel Receipts Tax and Expenditure Tax.

(b) Information relating to trends of collection under other direct taxes in other countries is not available.

(c) Some of the innovative steps already initiated and proposed in the Budget for 2005-06 to raise the tax resources of the country keeping with the changed economic scenario are as follows:-

i. Administrative reforms in the Revenue Department and comprehensive computerisation.

ii. Introduction of Securities Transaction Tax.

iii. Introduction of education cess.

iv. Proposed major overhaul of income tax bracket and rationalisation of exemptions, deductions and rebate etc.

v. Proposed introduction of Fringe Benefit Tax.

vi. Proposed introduced of Banking Cash Transaction Tax.

vii. Simplification and taxpayer friendly measures for encouraging voluntary compliance. Proposal for setting up of Large Taxpayer Units(LTU) in major cities.